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NORTH CAROLINA



COOPERATIVE CROP REPORTING SERVICE

QUESTIONS PERTINENT TO THIS ISSUE

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No. 30

RALEIGH, N. C.

FEB 23 1949

FEBRUARY 5, 1949

AGRICULTURAL PRICES AND OTHER CURRENT ITEMS

AGRICULTURAL ESTIMATES

The article below is the third in a series explaining the development of official crop reports.

3 - THE GENERAL CROP REPORT

Around the 24th of each month, the North Carolina Crop Reporting Service mails a questionnaire to about 2,000 volunteer crop reporters throughout the State. This is only one of the many groups of volunteer reporters which regularly report the information that goes into the preparation of crop reports issued by this office. This particular inquiry is known as the "General Crop Report" and provides current information basic to monthly forecasts of crop production, milk production, egg production, quarterly reports of on-farm stocks of grain and hay crops, farm wage rates and other related reports.

To be included in the State Report which is submitted to the Crop Reporting Board in Washington on or before 9.00 A. M. of the 5th or 6th of the following month, General Crop schedules should be completed and returned to this office by the reporter prior to noon of the 3rd of the month. Upon receipt of the schedules from the crop reporters, the information reported by each farmer is listed by counties. Then the listing is reviewed to be sure that there are no apparent errors contained in the data reported. After this review, the reports are added and various statistical indications computed. The statisticians in the local office take these indications and, by use of correlation charts, semi-log charts and other statistical means, prepare forecasts of production. These forecasts are then submitted to the Crop Reporting Board in Washington for review.

Each of the 48 states makes this monthly survey and submits similar reports to Washington where the information is assembled into the national release. The General Crop Report is released in Washington at 3:00 P. M. on or about the 10th of each month. As soon as the Crop Reporting Board data become available, the North Carolina office prepares a report for the public of the estimates pertaining to North Carolina.

PRICES RECEIVED MORE STABLE

Prices received by farmers in the State tended to level-off and appeared to become somewhat more stable during mid-January. This fact was encouraging to many farmers since a downward trend in prices received had become apparent as the year 1948 ended.

Corn, for the first time in several months, showed an increase over the previous month's price. Prices received for cotton and most small grains were slightly higher than a month earlier. The majority of farmers, however, failed to realize any benefit from higher prices during January since most of the 1948 production was marketed earlier.

From mid-December to mid-January, prices received for poultry and eggs dropped noticeably. Dairy products held fairly steady.

FARMERS' COSTS HIGH

Farmers' costs climbed rapidly in 1948. The 18.2 billion dollars farmers are estimated to have spent for production expenses is almost a billion and a half more than in 1947 and more than gross farm income in any year before 1942.

With prices of many farm products leveling off or declining last year gross farm income increased only slightly from 1947. This was the first year in a decade that gross income failed to rise more than costs. As a result, farmers' net income fell below 1947.

Not only are farmers spending more for production items than ever before, but a much larger proportion are cash expenses than after World War 1. Consequently, farmers can't reduce their

(See "Farmers Costs High", Page 4)

SECRETARY OF AGRICULTURE SIGNS CROP REPORT



Shown at the signing are left to right front: Nathan Koenig, Assistant to Secretary; Secretary Brannan; W. P. Callander, Chairman of the Crop Reporting Board. Rear; Left to Right: R. C. Tetra, Secretary of Outlook and Situation Board; Edward C. Paxton, Statistician for the State of Utah; J. E. Pallesen, Secretary of the Board; C. E. Burkhead, Head of Field Crops Statistics; R. E. Smith, Member of the Board.

N. C. PRICES RECEIVED INDEX UP 3 POINTS

After dropping to the lowest level in December since July 1946, the "All Farm Products" index of prices received by North Carolina farmers rose 3 points during the month ended January 15. The index, which now stands at 245 percent of the 1909-14 base average, compares with an index of 273 percent for January 1948. The small rise in the index from December to January marks the first increase of the index over the previous month since June of last year. Higher prices received for grains, cotton and a few miscellaneous products during mid-January were responsible for the increase. Advances in prices of these commodities, however, were partially off-set by lower prices received for cottonseed, meat animals, poultry and eggs.

Among indexes of individual groups of farm commodities, only cotton and cottonseed, grains, and miscellaneous products were above December. Other group indexes, with the exception of dairy products which showed no change, reflected losses during the month. Sharp declines in prices received for poultry and eggs resulted in a 23-point drop in the poultry index. The meat animal index dropped 5 points during the month while that of tobacco (Type 31 only) dropped 3 points.

The January ratio of prices received by N. C. farmers to prices paid by U. S. farmers at 99 percent of the 1909-14 base average showed a 1-point increase over December. At this level, the ratio compares with a ratio of 109 percent during January a year ago, and remains at the lowest level since January 1942.

Average prices received by farmers for hogs declined \$1.00 from a month earlier to \$20.10 per hundredweight as of January 15, 1949.

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS
(N.C. PRICES RECEIVED 1909-14 = 100 PERCENT)

COMMODITY	DEC. 15 1948	JAN. 15 1949	JAN. 15 1948	JAN. 15 1947	JAN. 15 1946
N. C. INDEX NUMBERS					
ALL FARM PRODUCTS...	242	245	273	255	208
COTTON & COTTONSEED...	237	242	276	257	180
GRAINS.....	179	182	252	192	157
MEAT ANIMALS.....	369	364	379	310	226
POULTRY.....	313	290	302	249	264
DAIRY PRODUCTS.....	242	242	244	227	180
TOBACCO.....	298	295	276	310	331
MISCELLANEOUS.....	228	234	246	224	230
RATIO OF PRICES RECEIVED TO PAID*	98	99	109	119	118
U. S. INDEX NUMBERS					
PRICES RECEIVED.....	268	268	307	260	206
PRICES PAID.....	248	248	251	215	177
RATIO OF PRICES RECEIVED TO PAID..	108	108	122	121	116

* Ratio of N. C. prices received to U. S. paid.

FEED PRICES DOWN SLIGHTLY

Prices paid for most high protein and grain by-products feeds by North Carolina farmers during mid-January were slightly lower than a month earlier. Corn meal continued to drop; however, at \$4.55 per hundred weight, it showed a drop of only 10 cents during the month. Average prices paid for corn meal were the lowest since early in 1946. Declining 15 cents per hundred weight, scratch feed reflected the sharpest drop in price during the month from mid-December to mid-January. Laying mash showed no change during the period. Middlings, cottonseed meal, and 18 and 20 percent protein mixed dairy feeds were off 5 cents, while bran and 16 percent protein mixed dairy feeds were unchanged.

FEED PRICES PAID BY FARMERS JAN. 15, 1949 WITH COMPARISONS

FEED PER HUNDRED WEIGHT	NORTH CAROLINA		UNITED STATES	
	DEC. 15 1948	JAN. 15 1949	DEC. 15 1948	JAN. 15 1949
- DOLLARS -				
BRAN.....	3.65	3.65	3.18	3.18
MIDDINGS.....	3.85	3.80	3.34	3.31
CORN MEAL.....	4.65	4.55	3.58	3.55
COTTONSEED MEAL.....	3.60	3.55	4.36	4.24
MIXED DAIRY FEED:				
16% PROTEIN.....	3.75	3.75	3.79	3.76
18% PROTEIN.....	4.10	4.05	3.97	3.95
20% PROTEIN.....	4.15	4.10	4.09	4.06
LAYING MASH.....	4.95	4.95	4.62	4.59
SCRATCH FEED.....	4.60	4.45	4.13	4.12
TANKAGE.....	6.80	-	6.56	-

U. S. PRICE INDEXES UNCHANGED

The first month of 1949 saw "no change" from the previous month in the indexes of prices received and prices paid by farmers including interest and taxes.

The prices received index at 268 percent of the August 1909-July 1914 base period was 13 percent below the all-time high of 307, reached in January 1948. The parity index (prices paid by farmers including interest and taxes), was the same as the revised index for a month ago, but down 1 percent from January of last year. Although the prices received index remained the same as a month ago, the all-crop component at 238 is up 10 points from last month as a result of slight increases in feed grains and hay, and sharp increases in fruit and truck crops. These increases were offset by declines in meat animals, dairy products, and poultry and eggs.

The index of prices paid, interest, and taxes was unchanged from the revised index of 248 for December 1948. From December 15 to January 15, prices paid for living commodities declined 4 points; this is reflected in a 2 point drop in the prices paid index. This decline, however, has been offset in the index of prices paid, interest, and taxes by increases shown by preliminary data on interest and taxes payable on farm real estate in 1949.

The parity ratio (ratio of prices received by farmers for things they sell to prices paid by farmers for things they buy, including an allowance for interest and taxes) at 108 was the same as the revised figure for last month, but 14 points below January of a year ago.

Generally, prices paid for high protein and grain by-products feed have declined steadily since early in 1948.

COMPARISON OF U. S. PRICES RECEIVED BY FARMERS
AND PARITY PRICES*

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES		ACTUAL PRICES AS PERCENTAGE OF PARITY	
	DEC. 15 1948	JAN. 15 1949	DEC. 15 1948	JAN. 15 1949	DEC. 15 1948	JAN. 15 1949
- DOLLARS -						
COTTON, LB.....	.296	.293	.308	.308	96	95
WHEAT, BU.....	2.05	2.02	2.19	2.19	94	92
CORN, BU.....	1.23	1.25	1.59	1.59	77	79
OATS, BU.....	.765	.762	.99	.99	77	75
BARLEY, BU.....	1.13	1.15	1.54	1.54	73	75
RYE, BU.....	1.47	1.44	1.79	1.79	82	-
BEEF CATTLE, CWT.	20.50	20.00	13.40	13.40	153	149
HOGS, CWT.....	21.10	20.10	18.00	18.00	117	112
LAMBS, CWT.....	21.90	21.90	14.60	14.60	150	150
CHICKENS, LB.....	.307	.307	.283	.283	108	108
EGGS, DOZ.....	.528	.471	.645	.554	82	85
MILK, WHLSE. CWT.	4.80	4.61	4.34	4.20	111	110

* Parity means a price for the farmer's product which will give it exchange value for things the farmer needs to buy equal to that in a specified base period, usually (1909-14).

N. C. FARM PRODUCTS PRICES SHOW LITTLE CHANGE

The downward trend in the general level of prices received by Tar Heel farmers which started early last summer and continued through mid-December leveled off somewhat during mid-January. The few farm product prices that showed noticeable losses during the month were generally off-set by higher prices received for other products. Some of the more important products showing losses during the month were chickens, eggs, and hogs. However some grain, cotton, veal calves, commercial apples, and lespedeza seed reflected price gains.

Farmers in the State received an average price of \$1.30 per bushel for corn during the middle of January, or 4 cents more than a month earlier when the price dropped to the lowest point since March 1943. The small gain during the month marks the first time since July that corn prices have not shown a decrease from the previous month. Average prices received for wheat at \$2.28 per bushel and rye at \$2.23 were each up 3 cents. Barley at \$1.63 was unchanged.

Hogs brought farmers an average price of \$20.10 per hundred pounds around January 15; one dollar less than a month earlier. Beef cattle dropped 10 cents to \$18.40 while veal calves, at \$24.30 were a dollar higher. Sheep prices declined 50 cents while lambs remained unchanged.

Producers selling chickens and eggs during mid-January received an average of 2 cents per pound less for chickens and 5 cents per dozen less for eggs than during the middle of December. Prices received for broilers and fryers declined more than usual.

PRICES RECEIVED BY FARMERS JAN. 15, 1949. WITH COMPARISONS

COMMODITY	UNIT	NORTH CAROLINA		U. S.
		DEC. 15	JAN. 15	JAN. 15
		1948	1949	1949
-DOLLARS-				
TOBACCO, TYPE 31.....	Lb.	.46	.455	
CORN.....	Bu.	1.26	1.30	1.25
WHEAT.....	Bu.	2.25	2.28	2.02
OATS.....	Bu.	1.03	1.04	.762
BARLEY.....	Bu.	1.63	1.63	1.15
RYE.....	Bu.	2.20	2.23	1.44
SOYBEANS.....	Bu.	2.31	2.15	2.27
COWPEAS.....	Bu.	5.00	4.70	4.24
PEANUTS.....	Lb.	.107	.104	.105
COTTON.....	Lb.	.297	.307	.293
COTTONSEED.....	TON	60.00	57.00	65.70
WOOL.....	Lb.	.48	.48	.483
HOGS.....	CWT.	21.10	20.10	20.10
BEEF CATTLE.....	CWT.	18.50	18.40	20.00
VEAL CALVES.....	CWT.	23.30	24.30	25.10
SHEEP.....	CWT.	10.00	9.50	9.17
LAMBS.....	CWT.	23.00	23.00	21.90
CHICKENS.....	Lb.	.33	.31	.307
EGGS.....	DOZ.	.63	.58	.471
MILK: WHOLESALE.....	CWT.	5.70	5.60	4.61
RETAIL.....	QT.	.205	.205	.191
BUTTER.....	Lb.	.59	.59	.625
BUTTERFAT.....	Lb.	.61	.63	.657
HAY: ALL LOOSE.....	TON	29.30	31.30	19.80
ALL BALED.....	TON	32.20	33.10	24.70
POTATOES.....	Bu.	1.80	1.95	1.66
SWEET POTATOES.....	Bu.	2.20	2.25	2.36
APPLES, COMMERCIAL.....	Bu.	2.00	2.40	2.85
LESPEDeza SEED.....	CWT.	11.10	11.90	9.09
KOREAN.....	CWT.	8.80	9.40	-
KOBÉ.....	CWT.	12.90	13.70	-
COM. & TENN. 76....	CWT.	18.80	20.00	-
SERICEA.....	CWT.	21.00	21.00	-

DEMAND AND PRICE SITUATION CHANGES

The decline in prices of U. S. farm products and foods, which began last summer with the harvesting of record crops, continued in December. However, a seasonal strengthening in these prices is likely during the next month or two. Wholesale prices of both these groups have dropped 9 percent since mid-August. Prices of non-agricultural commodities, however, have been quite stable during that period.

These price movements and a recent slowing down in retail sales indicate a change from inflationary situation earlier this year..

FEED SUPPLY AMPLE

Ample supplies of feed grains and other concentrates in the U. S. for the 1948-49 feeding season, as shown by the December crop estimates, are in sharp contrast with the small supplies of a year ago. The total supply of feed concentrates, including grains and by-product feeds, is estimated at 168 million tons, about one-fourth larger than the 1947-48 supply, and a little above the large 1942-46 average supply. The supply per animal unit is about 8 percent larger than the previous record of 1946-47.

The 1948 corn crop was estimated in December at 3,651 million bushels, or 53 percent larger than the small 1947 crop. Variations in corn production have been unusually large in the past two years, since the below-average 1947 crop was preceded and followed by record large crops. Much of the variation in corn production was in the Corn Belt, especially in the western half.

With ample supplies, the total quantity of concentrates fed to livestock is expected to be around 10 percent larger than in 1947-48. The rate of feeding per animal probably will be near record and the number of animal units will be larger, principally because of increases in poultry and hog numbers.

In mid-December the average price received by farmers for corn was \$1.23 per bushel, or 21 cents below the loan rate. Market prices were around 10 cents a bushel higher in late December than the low point reached early in the season. Some further increases in corn prices appear probable this winter and spring. Compared with a year ago, feed grain prices are generally low in relation to prices of protein feeds. The index of prices received for feed grains in mid-December was 45 percent lower than a year earlier, while the index of wholesale prices of 10 high-protein feeds was 21 percent lower. The relation between feed prices and livestock prices is much more favorable to livestock producers this winter than last, and is expected to continue favorable, at least through the first half of 1949.

HATCHERY PRODUCTION CONTINUES AT HIGH LEVEL

Output of chicks from commercial hatcheries in North Carolina totaled 2,899,000 during December 1948. This was 7 percent greater than the 2,714,000 chicks hatched during the preceding month and nearly 4 times more than the hatchings for December 1947. Commercial hatchings in 1948 totaled 39.9 million chicks compared with 35.6 million in 1947.

Total U. S. production during December was 54,713,000 chicks - 63 percent more than the number produced during December a year ago and 58 percent above the December 1942-46 average. A much larger January hatch than a year ago is also in prospect. The demand for chicks for both commercial broiler production and general farm flock replacement is above that of a year ago. The chicken-feed and egg-feed price relationships are much more favorable than last year.

The preliminary estimate of chicks hatched by commercial hatcheries in the U. S. during 1948 totals 1,252,063,000 about 3 percent less than the 1947 production.

FARM WAGE RATES UP SLIGHTLY

Wage rates paid to hired farm workers in North Carolina on January 1 continued to increase. The rate per day without board or room increased from \$4.35 on October 1 to \$4.50 on January 1. This is the highest rate of pay ever received by hired farm workers in this State. The rate per day without board on January 1, 1949 compares with \$3.40, paid on January 1, 1946.

Generally, the supply of farm labor improved over the State during 1948. The increase in wage rates somewhat lessened the demand for labor and some farmers were reluctant to expand operations which depended primarily on hired labor.

FARM REPORT

Published By The
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
W. F. Callander, Assistant Chief
and the
NORTH CAROLINA DEPARTMENT OF AGRICULTURE
Division of Statistics
L.T. Ballentine, Commissioner of Agriculture

Issued Semi-Monthly Through The
Crop Reporting Service at Raleigh
Frank Parker, Statistician in Charge

PRIMARILY FOR DISTRIBUTION TO
CROP REPORTERS AND AGRICULTURAL LEADERS
INFORMATION DIRECT FROM FARMERS

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Raleigh, N. C.

OFFICIAL BUSINESS

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WASHINGTON, D. C.

FEBRUARY 1949

FARM REPORT

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BROILER OPERATIONS HIGH

During the month of January hatcheries and dealers in the Chatham and Wilkes Commercial Broiler Areas placed 1,512,000 baby chicks with broiler producers, surpassing the December record total placed by 5 percent.

Placements in the Chatham Area totaled 944,000 for January, or 26,000 more than were placed during December, and were 66 percent higher than for the same month last year. Hatcheries and dealers in the Wilkes Area reported 568,000 chicks placed during January, exceeding December placements by 40,000 chicks.

The record high which was reached during December foreggs set and chicks hatched was broken last month when hatcherymen in both areas reported 2,380,000 eggs set and 1,525,000 chicks hatched. This is an increase of 27 and 5 percent respectively over December operations. Of the total number of eggs set last month, 1,458,000 were set by hatcheries serving the Chatham Area. This compares with 1,048,000 eggs set during December. Wilkes hatcherymen set 922,000 eggs during January, an increase of 89,000 over settings for the previous month. Chick output in the Chatham Area totaled 852,000 and in the Wilkes Area reached the highest point of record, with hatcherymen reporting 673,000.

FARMERS COSTS HIGH (Continued)

cash outlays during a price squeeze in the same way that they did formerly.

For example, horses and mules fed largely from farm-produced feed furnished most of the farm power just after World War I. Today, fuel and oil and repairs for the farm tractor are out-of-pocket expenses. A larger share of family living costs also are cash expenses. Most farms now have electricity, and fuel for the farm furnace is delivered by the oil man or the coal dealer rather than being cut from the farm woodlot.

GRAIN SUPPLIES AT GOOD LEVEL

The total supply of corn held in all positions in North Carolina as of January 1 was estimated at 48,426,000 bushels. This is 8 percent less than the total corn supply for the same date a year ago. The current estimate of total corn stocks consist of 47,988,000 bushels in on-farm positions and 438,000 bushels in off-farm positions.

Stocks of wheat both on and off farms totaled 2,442,000 bushels as of January 1, 1949 - 28 percent less than the 3,399,000 bushels on hand January 1, 1948. Stocks of wheat in off-farm positions totaled 628,000 bushels compared with 859,000 bushels for the same date a year earlier. On-farm stocks of wheat at 1,814,000 bushels were 29 percent less than on January 1, 1948.

Stocks of oats held in all positions on January 1, 1949 totaled 2,778,000 bushels or 30 percent less than on January 1, 1948. Off-farm stocks of oats on January 1, 1949 totaled 150,000 bushels compared with 119,000 a year earlier.

The total U. S. supply of corn on hand in all positions on January 1, 1949, was over 2,612 million bushels - 68 percent larger than on January 1, 1948. Wheat stocks in all positions in the U. S. totaled 857 million bushels on January 1, 1949 compared with 802 million bushels on January 1, 1948.

HONEY PRODUCTION DECREASES

Honey production in North Carolina in 1948 totaled 4,114,000 pounds - 34 percent less than 1947, but 16 percent more than 1946. The decrease in production in 1948 was due to average production per colony decreasing from 36 pounds in 1947 to 22 pounds in 1948. The total number of colonies increased from 173,000 in 1947 to 187,000 in 1948. The price per pound of 'all honey' decreased from 36.6 cents in 1947 to 31.5 cents in 1948.

POTATO ACREAGE CUT

On November 17, 1948 the Department announced a 1949 potato acreage goal of 1,938,300 acres and a 1949-crop support price level at 60 percent of parity. The goal is about 200,000 acres smaller than the acreage planted in 1948. The goal is aimed at the production of about 350 million bushels. To be eligible for price support on the 1949 crop, a grower must stay within the acreage allotment established for his individual farm, and to the extent applicable and practicable, will market his potatoes under the provisions of marketing agreements that may be in effect.

There will be more than adequate supplies of potatoes to meet demand this winter and early next spring. Supplies are distributed well geographically also, in contrast to the situation in 1947 when the crop was below average in most of the Western States.

The total U. S. commercial potato allotment for 1949 is 1,223,100 acres, while the commercial allotment for North Carolina is 20,500 acres.

POTATO ACREAGE HAS DECLINED

The total acreage of potatoes harvested in the United States has moved irregularly downward for the last half century, and in 1948 was the smallest since 1880. On the other hand, the average yield per acre has had an upward trend since 1933, and a particularly sharp rise since 1944, reaching a record-high of 212 bushels in 1948. Total United States Production exceeded 380 million bushels only 8 times in the 34 years from 1909 through 1942, but each of the 6 crops that followed has gone over this mark.

Prices received by farmers for potatoes from year to year have usually moved opposite to the changes in size of the crop, but also have shared in the general rise of prices in time of war.